

# Exhibit E

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2 SUPREME COURT OF THE STATE OF NEW YORK  
3 COUNTY OF NEW YORK: CIVIL TERM

4 -----X  
5 EDITH SHAW MARCUS and META SHAW STEVENS,  
6 as Temporary Administrators of the  
7 Estate of SAM SHAW,

8 Plaintiffs,

9 Index No.  
10 123783/94

11 - against -

12 MARTIN BRESSLER, LARRY SHAW,  
13 SUSAN SHAW, BRESSLER & BRESSLER,  
14 VALERIE GOODMAN, 1912 PRODUCTIONS,  
15 INC., MARC WEINSTEIN, individually  
16 and d/b/a COLOR GROUP,

17 Defendants.

18 -----X  
19 80 Centre Street  
20 New York, New York 10007  
21 June 5, 2002

22 B E F O R E:

23 HONORABLE MARTIN EVANS,  
24 Judicial Hearing Officer

25 A P P E A R A N C E S:

26 MEYER, GREENAWALT, TAUB & WILD, LLP  
27 Attorneys for the Plaintiffs  
28 230 Park Avenue  
29 New York, New York 10169  
30 BY: WILLIAM GREENAWALT, ESQ.  
31 -and-  
32 SAUL RUDES, ESQ.  
33 605 Third Avenue  
34 New York, New York 10158

## Proceedings

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**A P P E A R A N C E S: (Cont'd)**

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Nyack, New York 10960  
-and-  
MICHAEL J. MARINO, ESQ.

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BY: JEFFREY RUBIN, ESQ.

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## Proceedings

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## A F T E R N O O N S E S S I O N

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MR. MARINO: It is hereby stipulated and agreed by and between the parties to the within action and their attorneys, all of which are present, that the above entitled action is hereby settled on the following terms and conditions:

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Number 1. An entity will be formed. Whether that entity be a corporation, limited liability partnership, joint venture, what type of entity it will be will be determined by what is most reasonably efficient with respect to making money, tax consequences and the like.

The name of that entity will be the Shaw Family Archives. Whether it be Shaw Family Archives Inc., LLC, partnership, "Shaw Family Archives" will be the primary name.

Larry Shaw, Meta Shaw Stevens and Edith Shaw Marcus shall be principals in that entity and their respective interests in that entity will be the following: Larry Shaw shall own 50 percent of that entity. Meta Shaw Stevens and Edith Shaw Marcus -- off the record.

(Discussion held off the record.)

MR. MARINO: Meta Shaw Stevens shall own 25 percent of that entity and Edith Shaw Marcus shall own

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## Proceedings

25 percent of that entity.

7 MR. RUBIN: Off the record.

(Discussion held off the record.)

9. MR. MARINO: That includes each and every  
10. photograph shot by either Sam Shaw or Larry Shaw  
11. during the course of their respective careers,  
12. lifetimes --

13 JHO EVANS: Excuse me. Wait a minute.

14 There were some photographs that were  
15 claimed by both Sam and Larry Shaw, but Sam Shaw's  
16 attorneys weren't aware they were taken by her but  
17 owned by Columbia pictures. If you want to dispose of  
18 those photographs, they're not a party to it.

19 MR. MARINO: Your Honor, I don't think we  
20 can dispose of them via stipulation.

21 JHO EVANS: From the point of view of the  
22 stipulation you can.

23 (Discussion held off the record.)

24 MR. MARINO: The photographs included in the  
25 collection to be owned by the Shaw family foundation  
26 entity include -- Shaw Family Archives entity include

## Proceedings

2 all of those photographs now in the possession -- I  
3 can't do that either.

(Discussion held off the record.)

5 : MR. MARINO: (Continuing) All of the  
6 : photographs taken -- snapped by Sam Shaw and/or Larry  
7 : Shaw during the course of their lifetimes, together  
8 : with those photographs taken by third parties which  
9 : either of them claim as being owned by them via some  
10 : gift or sale from a third party, all subject to claims  
11 : by said third parties.

19 Let me go back for a minute. The primary or  
20 one of the roles of the super agent shall be to  
21 warehouse and maintain all of the photographs subject  
22 to a reduction in that collection pursuant to the  
23 agreement of the principals: Larry, Meta and Edith.

24 The second role for the super agent is to  
25 determine the commercial reasonableness of each and  
26 every deal brought to the Shaw Family Archive entity.

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## Proceedings

2 Each and every deal brought to the Shaw Family entity  
3 upon which there is not agreement between Larry, Edith  
4 and Meta, and with respect to that their votes are 50  
5 percent Larry, and 50 percent total for Edith and  
6 Meta, 25 percent each.

In the event of a deadlock, 50/50 deadlock,  
the super agent will determine whether or not a deal  
shall go forward depending on its commercial  
reasonableness. The respective voting power is 50  
percent Larry, no matter what the entity; 25 percent  
Edith, 25 percent Meta.

13 Let me try to back up. With respect to all  
14 types of transactions other than outright sales of  
15 photographs, the procedure is as follows: If the  
16 parties agree either to do or to not do the  
17 transaction, the super agent need not be involved.

18                   If, however, there is a deadlock on whether  
19                   or not to do the transaction the transaction must go  
20                   to the super agent who will determine whether or not  
21                   it is commercially reasonable to do and his  
22                   determination shall be final.

## Proceedings

1 transparency, again, if the parties -- withdraw that.  
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3 If any of the parties wishes not to do the  
4 transaction and even if it is a minority position,  
5 then -- withdrawn. That's not right.

6 MR. RUBIN: Keep going.

7 MR. MARINO: If it is a minority position,  
8 and the super agent makes the determination that the  
9 deal is commercially reasonable, the party, either  
10 Larry, Edith or Meta, dissenting, or parties, will  
11 have the right of first refusal to make that deal.

12 JHO EVANS: Off the record.

13 (Discussion held off the record.)

14 MR. MARINO: Let's back up a little bit.

15 In the event --

16 MR. RUBIN: Off the record.

17 (Discussion held off the record.)

18 MR. MARINO: Let me back up.

19 With respect to an outright sale as  
20 previously stated, if any of the parties -- with  
21 respect to the outright sale of a photographic print,  
22 negative or transparency, if any of the parties -- let  
23 me continue.

24 With respect to the outright sale of a  
25 photographic print, negative or transparency or  
26 contact sheet, which is a print, in the event of

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## Proceedings

2       unanimity between the parties, the deal shall go  
3       forward.

In the event there is a deadlock that the  
decision as to whether or not to go forward with that  
transaction shall be in the hands of the super agent,  
and if the super agent makes the determination that  
the deal should go forward because it is commercially  
reasonable, then any of the dissenting parties to that  
deal among the principals shall have the right, within  
five days after the super agent makes determination,  
to go forward to match the deal. If they cannot match  
the deal within that said five-day period the deal  
goes forward.

Now, all of the principals, Larry, Edith and  
Meta, may act as subagents for the collection, and  
they shall be compensated by the entity for each deal  
that is brought to the super agent -- excuse me --  
each deal that is brought to the entity via the super  
agent in an amount which is commercially reasonable

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## Proceedings

given industry standards.

To clarify, they shall be compensated an agency commission in an amount which is reasonable in accordance with industry standards for all deals brought and consummated. Said compensation upon consummation shall only be paid in the event money is received with respect to that transaction by the entity.

With respect to any monies coming in, any monies generated by the collection as described previously, all monies shall be paid directly to the entity, and any commissions or expenses as will be laid out below will all be paid by the entity after receipt of said -- off the record.

(Discussion held off the record.)

MR. MARINO: In the event any income generated by the collection is payable to anyone other -- any one or any entity other than the Shaw Family Archives, the person or entity receiving that check or money or cash shall immediately endorse it over and deliver it to the super agent on behalf of the Shaw Family Archives.

The commission paid to the subagent shall be a percentage based on the gross amount generated and collected in connection with the transaction, and such

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## Proceedings

commissions shall be paid by the entity to the agent after said generated money is deposited and cleared in the entity bank account.

All expenses incurred by agents, whether they be Larry, Meta or Edith, or any other outside agents shall be borne by the agent as the agent's cost of doing business.

However, in the event either Larry, Meta or  
10 Edith, or any other outside agent request that certain  
11 expenses be borne by the entity because of  
12 extraordinary circumstances, then if Meta, Larry and  
13 Edith agree they will be borne by the entity. If  
14 there is a deadlock -- withdrawn.

22 Any such expenses advanced by a subagent  
23 without the prior written approval of the entity --  
24 forget that. Forget that. It's assumed.

25 The parties herein, Larry, Meta and Edith,  
26 shall each be entitled to a percentage of the net

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## 1 Proceedings

2 proceeds of all income-generating transactions after  
3 the payment of all reasonable and necessary expenses,  
4 which shall include the agency commission, if any,  
5 subagency commission, if any, and after the payment of  
6 all expenses reasonable and necessary to house and  
7 maintain the collection, including any and all fees,  
8 reasonable and necessary fees paid to the super  
9 agent.

10 JHO EVANS: Off the record.

11 (Discussion held off the record.)

12 MR. MARINO: Just by way of example only,  
13 expenses shall include the super agent's fee, the cost  
14 of housing and maintaining the collection -- by  
15 "maintaining," I mean kept boxes, glassine envelopes,  
16 folders, maintain -- but it shall also include the  
17 administration of the entity's business affairs and  
18 shall also include the scanning and inventorying of  
19 all the images in the collection.

20 The net proceeds after the deduction of the  
21 aforementioned expenses shall be split in the  
22 following manner: 50 percent to Larry Shaw; 25 percent  
23 to Meta Shaw Stevens; 25 percent to Edith Shaw  
24 Marcus.

25 JHO EVANS: Off the record.

26 (Discussion held off the record.)

## 1 Proceedings

2 MR. MARINO: Any reference herein to the  
3 principals' ownership of a share in the entity -- I  
4 said that wrong. The principals of the entity shall  
5 herein -- the next subject.

6 The parties, each of them individually,  
7 Larry Shaw, Meta Shaw Stevens Edith Shaw Marcus  
8 individually, indemnify and hold the other harmless,  
9 including the entity, for any and all claims, losses  
10 or liabilities incurred by any of the parties or the  
11 entity.

12 Each of the individual parties agrees to  
13 indemnify and hold harmless --

14 MR. RUBIN: Each of the principals of the  
15 entity agree to indemnify and hold harmless the entity  
16 and each other from any claims made against them for  
17 any transaction that they conducted in relation to the  
18 subject of the entity prior to this date.

19 JHO EVANS: Can you tell me what it is  
20 you're referring to?

21 MR. RUBIN: What we're referring to is in  
22 the event one of the parties had done a transaction --  
23 off the record.

24 (Discussion held off the record.)

25 MR. RUBIN: From any claims including any  
26 lawsuits, including but not limited to any lawsuits

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## Proceedings

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which are made against any of the principals for any transaction conducted by such principals or their agents, each respective principal or their agents in relation to the corpus of the entity.

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JHO EVANS: I take it that what you're referring to is if any claims are made against this proposed entity, whatever it is, corporation or LLC, by an third person arising out of any activities that any of these three individuals who are before today, those individuals will armless and indemnify the entity arising out of those claims. Is

ect, your Honor.

entity and each other.

: And the other principals.

MARINO: Individually.

JHO EVANS: Indemnify each other from the made against them..

MR. MARINO: Exactly what you said, except the indemnity also extends to the individuals.

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MR. GREENAWALT: And would also be, your Honor, for acts of those parties if the parties have agents and have done things in their name, then that would also apply.

## Proceedings

2 MR. MARINO: And I am saying it has to be  
3 authorized agents.

4 MR. RUBIN: Our problem is Darius, where  
5 there is a claim by Larry that he is acting without  
6 authority.

7 JHO EVANS: What you're saying is if he  
8 makes any claim against the entity, Larry Shaw will  
9 hold the entity harmless against them. Is that  
10 right?

11 MR. RUBIN: That's what it should be. We  
12 didn't have any dealings with them.

13 JHO EVANS: Is that true?

14 MR. MARINO: That's what they are  
15 suggesting. All I'm saying is that the agent be an  
16 authorized agent in order for the indemnity to take  
17 effect, and then the issue of whether it was  
18 authorized or not is --

19 MR. RUDES: Just a second on that.

20 JHO EVANS: If this fellow was not an  
21 authorized agent and he makes some claim against the  
22 entity, even though he was unauthorized, and suppose  
23 somebody is from Australia and says they were  
24 authorized by Meta Stevens to sell these photographs  
25 and he wasn't, should there be an indemnity by Meta  
26 Stevens against the entity?